

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1136 – HB 1322

April 10, 2017

**SUMMARY OF ORIGINAL BILL:** Authorizes municipal administrative officers, in lieu of levying a fine, to order a violator of a municipal ordinance to attend an educational course addressing the compliance with locally-adopted building and property maintenance ordinances.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (006823):** Deletes all language after the enacting clause. Expands the definition of “municipality” to include metropolitan forms of government. Permits municipal administrative officers to hear cases involving violations of municipal ordinances regarding locally adopted zoning codes.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Other Fiscal Impact – To the extent a municipality has an administrative hearing officer, the hearing of zoning code violation cases may lead to an increase in local penalty revenue. The timing and extent of such revenue cannot be reasonably quantified.**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 6-54-1001(a), municipalities are authorized to create, by ordinance, the office of administrative hearing officer to hear building and property maintenance code violations.
- Pursuant to Tenn. Code Ann. § 6-54-1002, administrative hearing officers have jurisdiction to hear cases involving violations of municipal ordinances regulating locally adopted building codes, residential codes, plumbing codes, electrical codes, gas codes, mechanical codes, energy codes, and property maintenance codes.
- This legislation would allow administrative hearing officers to also hear zoning code violation cases.

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- Pursuant to Tenn. Code Ann. § 6-54-302, such cases are currently heard in municipal court.
- Based on information provided by local government technical assistance providers, penalties for zoning violations heard by an administrative hearing officer have the potential to exceed those heard in municipal court.
- The total statewide impact to local government associated expanding the definition of municipality and allowing administrative hearing officers to hear zoning code violation cases is dependent upon multiple unknown factors, including: the number of municipalities with administrative hearing officers, the number of zoning code violations in each municipality, any penalty currently associated with such violations, and any increase in revenue resulting from violations being heard by an administrative hearing officer.
- Given the extent of unknown factors, the precise fiscal impact to local government cannot be reasonably determined.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj